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SUBJECT: UN REFORM: AMB. BOLTON CALLS FOR REVIEW OF CONSENSUS BUDGETING AS G-77 WINS GA VOTE ON MANAGEMENT REFORM

REF: USUN 908

¶1. SUMMARY: Despite GA President Eliasson's last-minute efforts to devise an alternative to a formal vote on the issue, the General Assembly voted 121 to 50 (with 3 abstentions) on May 8 to adopt the draft resolution on UN management reform proposed by the Group of 77 and China that was also approved by a vote April 28 in the Fifth Committee (reftel). While G-77 Chair Kumalo of South Africa reiterated his Group's commitment to UN reform after the vote was held, other speakers from Japan, the EU, CANZ, and the U.S. criticized the decision to bring the draft resolution forward absent consensus. Ambassador Bolton, reaffirming U.S. support for UN management reforms as an integral part of the process leading to a more efficient and effective Organization, noted the Fifth Committee's consideration of the Secretary-General's report on UN management reforms was supposed to have been an integral part of the reform process launched by world leaders in September 2005 and outlined in the World Summit Outcome Document (full text - see para 11). However, recent events suggested that the principle of consensus decision-making on UN budgetary matters established in the mid-1980's now merited close scrutiny and assessment, especially given the votes on Fifth Committee issues. A practice developed to achieve the broadest possible support on budgetary issues no longer was producing consensus. GA President Eliasson, in an unusual separate statement, expressed regret that the tradition of consensus for decisions on budgetary and administrative matters had been ignored. He called on Members to "move from polarization to cooperation" and to establish a climate of trust and confidence in carrying forward with the reform agenda. END SUMMARY.

G-77 INCREASE SUPPORT
IN 121-50-3 VOTE

¶2. For the second time in ten days, members of the Group of 77 and China forced a vote on their version of a draft resolution addressing reform initiatives outlined by SYG Annan in his March 7 report entitled, "Investing in the United nations: for a stronger Organization worldwide." As was the case on April 28 when a similar vote was taken in the Fifth Committee, the G-77 prevailed in the General Assembly, increasing its vote total from 108 on April 28 to 121 on May 8. The number of countries voting against the G-77 text, including the U.S., Japan, CANZ, and the EU, remained the same at 50, as did the states that abstained (Armenia, Norway, Uganda).

G-77 CHAIR KUMALO
REITERATES SUPPORT
FOR UN REFORM

¶3. Echoing points made in recent G-77 statements and in his April 26 press conference (reported reftel), Group of 77 and China Chairman Dumisani Kumalo (South Africa) objected to the suggestion that the G-77 opposed UN reform. The Group already had demonstrated its support for a number of major changes, including approval of resources for the Human Rights Council, funding "from new and predictable resources" for the Peacebuilding Support Office, authorization of \$100 million to proceed with the Capital Master Plan, establishment of the Ethics Office, finalization of the whistleblower policy, increasing the investigation and auditing capacity of the Office of Internal Oversight Services (OIOS), and support for the biennium budget requested by the Secretary-General in 2005, "as opposed to the spending cap." Kumalo said the G-77 was not trying to slow down or resist efforts to improve the Organization, but such changes could not proceed at the expense of amending the oversight role of Member States.

¶4. In addition to governance issues, Kumalo said the G-77 draft resolution text differed from other previous versions in its emphasis on equitable geographical representation in the recruitment of Secretariat staff, particularly at senior levels, and in increasing procurement opportunities for developing countries. G-77 efforts to press for these objectives did not detract from the Secretary-General's reform initiatives. To suggest that these requests would delay the SYG's proposals, or halt the reform exercise, was false. The Group was not delaying reform by asking that Member States receive assurances that the provisions of Assembly resolutions be respected and effective internal controls be implemented. Kumalo said the G-77 rejected the suggestion that a small but representative group of Member States could replace the role now played by all Members in overseeing the management of the UN. The UN Charter guaranteed the sovereign equality of every Member to exercise

oversight responsibilities and pronounce on UN activities and programs.

EU, CANZ, JAPAN JOIN
AMB. BOLTON IN SUPPORTING
UN MANAGEMENT REFORM AND
CONDEMNING BREACH OF
CONSENSUS PRINCIPLE

¶5. Speaking before the vote, Japanese PermRep Oshima reiterated his government's support for the Secretary-General's commitment to reform the Organization so

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that it could better respond to current needs. Oshima noted the SYG could implement some measures without further GA legislative action, and he urged him to proceed. Expressing appreciation to those who had made repeated efforts to preserve the consensus practice, Oshima said it would have been preferable for the Fifth Committee to have reported back to the General Assembly on those areas that enjoyed agreement among all delegations, as well as those issues that were not agreed. Oshima voiced regret that a vote was being taken, given the numerous attempts to broker a consensus agreement.

¶6. Ambassador Gerhard Pfanzelter (Austria), speaking on behalf of the EU, underscored the importance EU members attached to management reform, which was vital for strengthening the UN. He welcomed the SYG's March 7 Report, Investing in the UN, and encourage the SYG to continue his reform efforts. Pfanzelter said EU members hoped to receive more detailed explanations of the SYG's proposals. He also urged the Secretary-General to take action in those areas where no additional GA decisions were required. Pfanzelter said the EU opposed adoption of the G-77 draft resolution because it did not reflect crucial concerns about budget planning and improved interaction between the Secretariat and Member States. He voiced serious concern over the collapse of the consensus principle on Fifth Committee matters, and

said it was necessary to restore the long-standing working methods of the Committee in order to re-establish a climate of trust and cooperation among all Members. Only by engaging in consensus-based decision-making could Member States succeed in making the UN a stronger institution.

¶ 17. Ambassador Bolton said the United States strongly supported a UN sharply focused on addressing the challenges of today's world in efficient and effective ways. He noted that the Fifth Committee's consideration of the SYG's Report on UN management reforms was supposed to have been an important part of the process begun by world leaders in September 2005 and reflected in the World Summit Outcome Document that would lead to an improved UN. Bolton said that unfortunately, the April 28 vote in the Fifth Committee and the vote being conducted on May 8 raised deep concerns about the breach of the consensus decision-making principle that had been the practice of the Fifth Committee for nearly two decades.

¶ 18. Recalling the history of the consensus practice, Bolton said it had developed because in the mid-1980's, the U.S. was repeatedly and overwhelmingly outvoted in the Fifth Committee on important budget questions. Consensus-based decision-making on budgetary issues was a practice adopted to correct this problem to reflect the opinions of all UN members. Bolton noted that during the past 20 years, there were doubts as to whether the consensus budgeting approach was working to fulfill the intentions that led to its creation in the first place. He said the current situation, and the vote being taken on May 8, raised that question again. Bolton said many elements related to governance of the UN now needed to come under scrutiny, as the SYG and others had suggested. While the U.S. maintained its view on consensus decision-making on budget matters, it was now time to carefully evaluate how that process actually was working, as was appropriate after nearly 20 years.

GA PRESIDENT ELIASSON
APPEALS FOR COOPERATION,
NOT POLARIZATION

¶ 19. Following the interventions by individual Members, GA President Eliasson delivered prepared remarks in which he noted that draft resolutions recommended by vote are not the normal practice of the Fifth Committee. Eliasson characterized the GA's May 8 vote as a "deviation from a long standing practice of the Fifth Committee" which he called a "hallmark of the work of the Committee." Eliasson said the tradition of consensus for decisions on budgetary and administrative matters served to safeguard the long-term interests of the UN as well as all Member States. Although

the consensus principle was not being respected with the May 8 vote, Eliasson appealed to all Members to move forward and join forces in fulfilling the tasks outlined by world leaders during the September 2005 Summit. He said it was "essential that we restore the consensus mode of decision-making in the Fifth Committee" and work for the broadest possible agreement on all reform issues. Eliasson suggested that progress could be achieved on three tracks: follow-on Secretariat reports concerning Management Reform that were expected in the coming weeks, the ongoing mandate review, and the report on governance and oversight structures that would assist the GA in discharging its oversight responsibilities.

¶ 10. Eliasson suggested that Member States were "facing a test of multilateralism." He said it was imperative that Members cooperate and work together to make the UN stronger and better equipped to deal with current global priorities. A climate of trust and confidence must be established to encourage a constructive and forward-looking discussion of the best ways to strengthen the UN. Eliasson called on Members to "move from polarization to cooperation" in order to achieve concrete results in Secretariat and management

reforms in the coming months.

TEXT OF AMBASSADOR
BOLTON'S STATEMENT

111. Remarks delivered in the General Assembly May 8 by Ambassador Bolton:

Begin text:

Thank you, Mr. President.

The United States on April 28 gave a statement in the Fifth Committee explaining its vote on this item. That position still stands. Since others have taken the floor on the occasion of today's vote, I would like to make several additional points also.

The United States strongly supports a United Nations that is sharply focused on addressing the challenges of today's world in efficient and effective ways.

The Fifth Committee's consideration of the Secretary-General's report on UN management reform was

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supposed to have been an important part of the process leading to a more efficient and effective organization, a process that our leaders started last year with their historic consensus agreement on the World Summit Outcome document.

Unfortunately, the vote on management reforms in the Fifth Committee, as well as the vote called for today in the General Assembly, raises deep concerns about the breach of the consensus decision-making principle that has been the practice of the Fifth Committee for nearly two decades.

Let me just review for a minute, Mr. President, how that practice developed. From the perspective of the United States, it developed because in the mid-1980s, the United States was repeatedly and overwhelmingly outvoted in the Fifth Committee on important budget questions. And the consequence was that the United States Congress withheld substantial contributions from the U.S. assessed contributions. So that the practice of consensus-based decision-making in this Organization on budgetary matters was intended to reflect clearly the opinions of all UN members.

Now during the past 20 years and indeed, as early as the late 1980s and early 1990s, there were doubts whether the consensus budgetary approach was working to fulfill the intentions that had led to its creation in the first place. And, in fact, the current situation as reflected in today's vote raises that question again.

The result of consensus-based decision-making in the Fifth Committee is often the same as in today's vote. So that we are asked, whether in Congress or elsewhere, what is the real distribution of opinion in the United Nations on budget questions, we can fairly say that it is reflected in today's vote. So one might well then ask, what is gained by the consensus process?

We believe that many comfortable elements of the governance of this Organization now need to come under scrutiny as the Secretary-General and others have suggested. We maintain our

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view on consensus decision-making on budget matters, but we are carefully evaluating how it actually works, as is appropriate after 20 years.

Thank you, Mr. President.

End text.

BOLTON